

SOURCE: 58 FR 41412, Aug. 3, 1993, unless otherwise noted.

#### § 3051.1 Purpose.

This part establishes audit requirements for institutions of higher education and other nonprofit institutions receiving Federal financial assistance or Federal cost-type contracts used to buy services or goods for the use of the Federal Government, from the United States Department of Agriculture (USDA) and assigns USDA agency responsibilities for implementing and monitoring those responsibilities. Additionally, this part implements the Office of Management and Budget (OMB) Circular A-133, Audits of Institutions of Higher Education and Other Nonprofit Institutions.

#### § 3051.2 Policy.

USDA requires audits from institutions of higher education and other nonprofit institutions that receive Federal financial assistance or Federal cost-type contracts used to buy services or goods for the use of the Federal Government, from USDA directly or indirectly as a subrecipient which are subject to the requirements of OMB Circular A-133, included herein as Appendix A of this part.

#### § 3051.3 Scope.

This part applies whenever USDA provides Federal financial assistance or Federal cost-type contracts used to buy services or goods for the use of the Federal Government, directly or indirectly to institutions of higher education and other nonprofit institutions. The USDA Office of Finance and Management (OFM) must approve any proposed exception to or deviation from the regulations in this part. Any approved exceptions to this part based on statute, or other approved deviations, will be promulgated through USDA agency-specific program regulations. Audits shall be made by an independent auditor, as defined in OMB Circular A-133, in accordance with Government Auditing Standards covering financial audits issued by the Comptroller General of the United States and the requirements of OMB Circular A-133.

#### § 3051.4 Definitions.

(a) *One program* is defined as:

(1) One categorical Federal assistance program; or

(2) A cluster of closely related categorical food assistance programs and the categorical food assistance programs are awards under the Child Nutrition Cluster or the Food Distribution Cluster; or

(3) One cost-reimbursement contract to buy services or goods for the use of the Federal Government as described in the definition of "award" in OMB Circular A-133.

(b) *Program-specific audit* is defined as:

(1) An audit of one program; and

(2) Under the Food Distribution Cluster, a program-specific audit of a parent organization includes the nonprofit organizations that operate as distribution sites or congregate meal service sites if they receive assistance through the parent organization consisting of or almost entirely of commodities, if the following criteria are met:

(i) The organization that operates the distribution site or congregate meal site receives Federal financial assistance solely under The Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program (CSFP), and/or the Food Commodities for Soup Kitchens/Food Banks Program (SKFB);

(ii) The total Federal financial assistance received is at least \$25,000 but less than \$100,000 (cash and commodities combined) in a fiscal year; and

(iii) Any cash assistance included in the Federal financial assistance under TEFAP and/or CSFP does not exceed \$25,000 in a fiscal year.

#### § 3051.5 Basic requirements.

(a) If not included within the scope of a single audit obtained in accordance with the Single Audit Act of 1984 and OMB Circular A-128, institutions of higher education and other nonprofit institutions that receive \$100,000 or more a year in USDA Federal financial assistance or Federal cost-type contracts used to buy services and goods for the use of the Federal Government, shall have an audit conducted in accordance with the requirements of